



The President's Daily Brief

24 December 1969

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THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

The final session of the Arab summit turned into a shambles yesterday. (Page 1)

Israel, claiming that the fedayeen are firing rockets from Lebanese territory at Israeli settlements

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Further evidence that more North Vietnamese units have moved into IV Corps has been uncovered in captured documents. (Page 3)

Peking has stepped up its anti-Soviet propaganda. (Page 4)

The European Communities' milestone agreement on financing arrangements is assessed on Page 5.

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ARAB STATES

Self-interest, mutual distrust, and an inability to cover up the gap between rhetoric and performance turned the final session of the Arab summit yesterday into a shambles. The meeting was boycotted by Syria, Iraq, and South Yemen, and the conferees could not even agree on a final communiqué. As the participants return to their capitals and begin to issue their own versions of what went on, the following is our preliminary reconstruction of the events leading up to the breakdown.

All reports indicate that the conference was proceeding reasonably well until the participants began to debate an Egyptian call for all Arab countries to commit troops and provide weapons to reinforce Egypt, Jordan, and Syria along the cease-fire lines. The Egyptian plan may have been a genuine reflection of what Cairo thought was necessary to defeat Israel, but it apparently made very steep demands on some of the contributors.

Thus, although everyone supported the plan in principle, most potential contributors found reasons not to come through with the required amounts of support. The Saudis and Kuwaitis claimed they had no troops to spare, although they did agree to provide the financial assistance demanded in the Egyptian plan. The Libyans said they were re-equipping their own army and could not provide much money; they did offer the fedayeen some of their cast-off weapons. Morocco's King Hassan pleaded a paucity of resources and reserved his position. On the other hand, Algerian President Boumediene, a long-time critic of the Egyptian military, told Nasir, "We are prepared to give you anything you want if we are going to war with Israel, but if we are not going to fight then we are not prepared to give."

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One point that is still not clear is the amount of support the conferees agreed to give the fedayeen. According to early press reports, Yasir Arafat was being granted most of what he had asked for, but there is no indication whether this decision survived the final hassle, or whether the conference came to any conclusions at all.

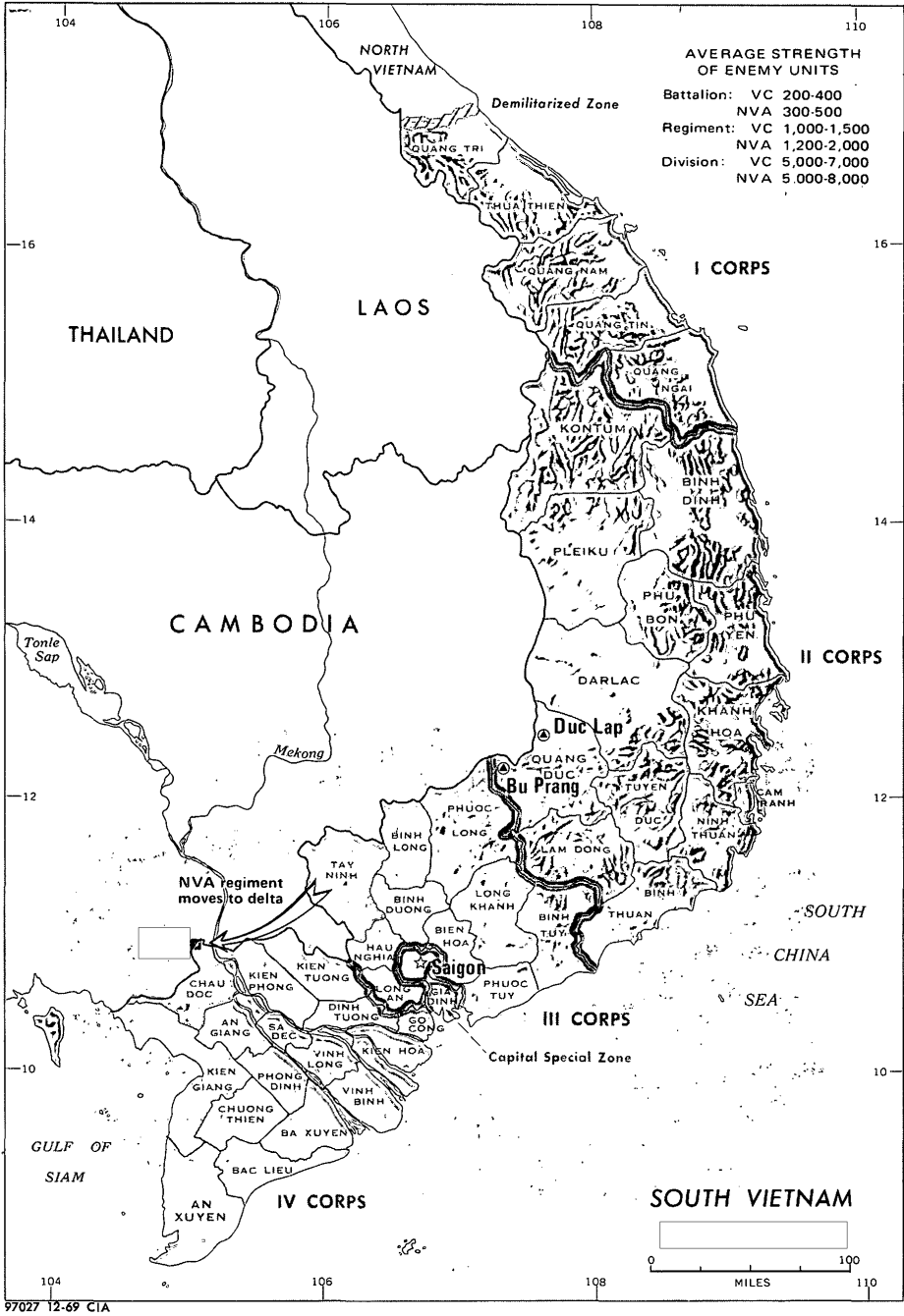
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LEBANON-ISRAEL

Israel is claiming that fedayeen fired rockets from Lebanese territory at Israeli settlements near the border on both Sunday and Monday nights.

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If Israel carries out its threat, Lebanon would find it hard to resist demands by other Arab states to station their troops on Lebanese territory.



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VIETNAM

Enemy documents captured recently in Chau Doc Province provide further evidence that another large North Vietnamese unit has shifted from the III Corps area to the delta. It now appears that between October and December the 101D Regiment moved some 80 miles southwest from its former position in Tay Ninh Province to Chau Doc. The 101D would be the fourth regular enemy regiment to shift from III to IV Corps since early last summer.

This shift is reflected in the pattern of sharp clashes in the delta and lighter combat elsewhere which has prevailed since early December, when the enemy pulled back from Bu Prang and Duc Lap in the southern highlands.

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COMMUNIST CHINA - USSR

People's Daily of 22 December contains the strongest direct Chinese attack on the USSR since the beginning of the border talks. The article denounces Moscow's current efforts to negotiate a "renunciation of force" treaty with West Germany, and accuses the Soviets of "collusion" with both West Germany and the US. Peking warns the Communist states of Eastern Europe that Moscow is selling out their interests in order to divide up Europe with the United States.

Chinese commentaries on the Soviet Union have become more strident in recent weeks. The Chinese are still holding themselves in, however; Peking has yet, for instance, to revive direct attacks against Soviet military activity along the Chinese frontier.

Polemics at this level probably will not keep Moscow from sending Deputy Foreign Minister Kuznetsov back to Peking soon in order to try once again to achieve some progress in the border talks. Peking's criticism, however, suggests that Kuznetsov will not find the Chinese any more forthcoming.

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EUROPEAN COMMUNITIES

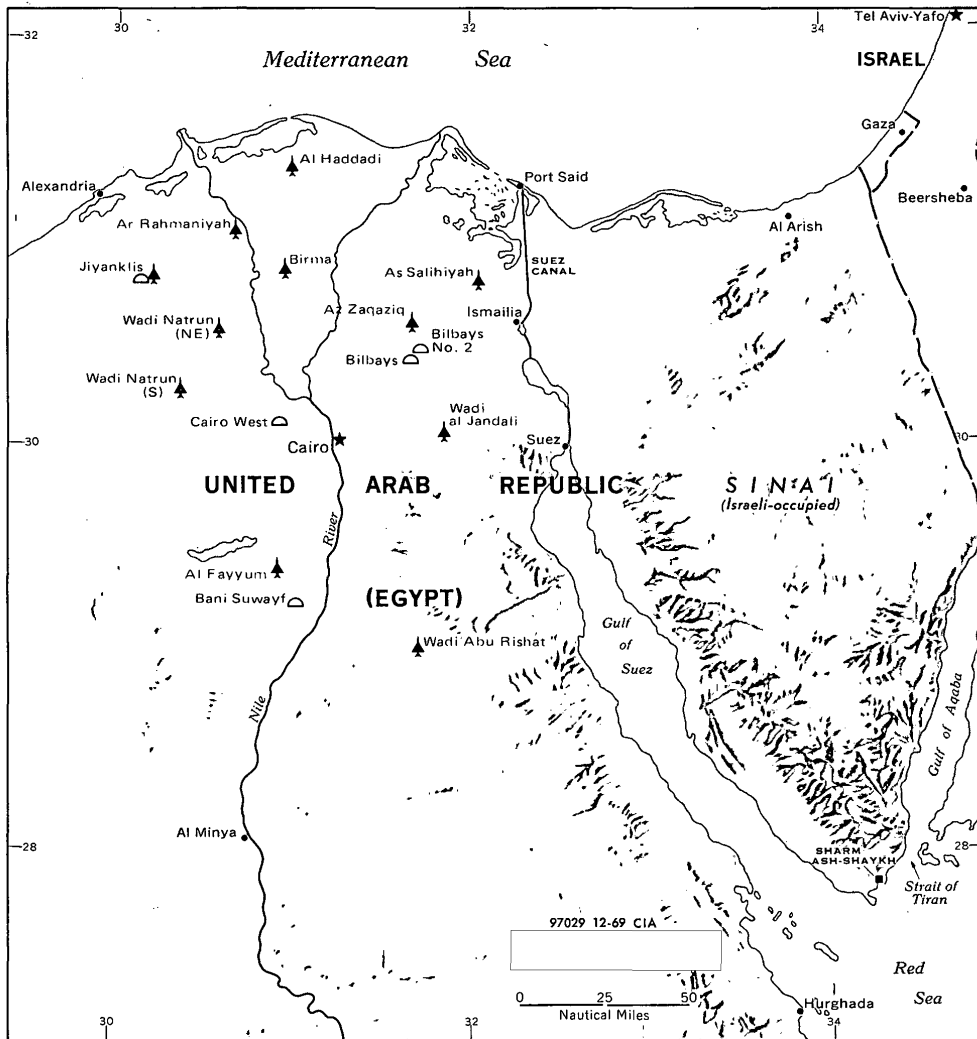
The milestone agreement on EC financing arrangements which emerged from a marathon negotiating session of the Council of Ministers last weekend came far earlier than many observers had anticipated. The plan calls for the gradual allocation of receipts from customs duties to the EC beginning in 1971, in addition to the agricultural levies and member state contributions presently in effect. By 1975 all such duties and levies, plus a portion of each country's turnover or transaction tax will constitute the EC's "own resources."

The plan will slightly strengthen the budgetary powers of the European Parliament in 1971-1974. After 1975 the Parliament will be able to overrule the member governments by a three-fifths majority vote.

The agreement, which still must be approved by the six national parliaments, augurs well both for the internal development of the EC and for its expansion to include new members. The French seemed eager to obtain agreement on a financing plan even though it will eventually increase the authority of the European Parliament, which De Gaulle opposed for so long. The current plan, however, satisfies the condition upon which France had insisted before the Six begin work on a common position to enter into negotiations with the UK.

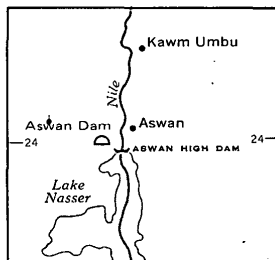
The next test for the "spirit of The Hague"-- which seems to have predominated in the Communities since the EC summit-- may come when the ministers attempt to face the dilemma of EC agricultural surpluses. Progress on agricultural surpluses will be necessary both for the future of the common agricultural policy and for British entry.

EGYPT: New Airfield and Shelter Construction



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- ▲ Airfield built since June 1967 War
- ▲ Airfield identified since August 1969
- ◐ Airfield with 3 large aircraft shelters



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NOTE

Egypt: Satellite photography since August shows two new airfields some 45-50 nautical miles northwest of Cairo and another 65 nautical miles southeast of the city. This makes 11 new airfields that have been built in Egypt since the end of the 1967 war.

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